

SPEECH

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Aug ON THE

FINANCIAL POSITION

OF THE

PROVINCE OF ONTARIO,

DELIVERED BY THE

HON. A. MACKENZIE,

IN THE LEGISLATIVE ASSEMBLY, FEBRUARY 21, 1872. x



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JANUARY

FINANCIAL STATEMENT

OF THE

HON. A. MACKENZIE.

LEGISLATIVE ASSEMBLY,
TORONTO, February 21, 1872.

HON. MR. MACKENZIE—In rising, Sir, to move that you do now leave the Chair, for the House to go into Committee of Supply, I desire to introduce the Estimates for the year, with some prefatory remarks regarding the financial position of the Province, and to submit to the House the Financial Statement. The Government of Ontario, for the first time since the accomplishment of Confederation, appear here as a united body in favour of that great political measure, the views of the Government being in harmony with that pacific revolution, which was carried out in 1867. I am bound to congratulate the House and the country upon the accomplishment of the reforms which that measure effected. I know, Sir, that my honourable friend who occupied this position before me, held the opinion that the Confederation of the Provinces was not to be considered altogether an auspicious and favourable event for this Province, inasmuch as this Province would still have to sustain an unequal part of the public burdens, and not receive a fair share of the public moneys. To a certain extent that remark is quite true. There can be no question that the larger and wealthier portion of every country will always have to contribute considerably more than its share towards the public expenses involved in the administration of its affairs. The Province of Ontario does not form any exception to that general rule; so that whether we remained in the old political union formed with Lower Canada in 1841, or adopted some other political system, the fact would still remain that we would be called upon to contribute more than our sister Province on account of our greater consumption of dutiable goods

as well as our superior ability to pay additional taxation, because of the superior energy of our people, and our possession of perhaps a superior country. But the question arises whether we are not in a better condition than we were in prior to 1867. Of course much, if not all, of our present prosperity is the result of the natural growth of the productive power of the country. I advocated Confederation, not entirely as a political project, though that was, I confess, my principal reason for action. I advocated the great measure of the union of the British Provinces on this continent, believing that that union was absolutely essential to the continuation, and, I trust it will ensure the perpetuation, of British political power on this continent. (Hear, hear.) But, in addition to this great object, I believed that under the Federal system of Government we would be able to obtain certain great advantages in the administration of our affairs which seemed unattainable under the legislative union. It was, Sir, the constant complaint of the Upper Province, prior to 1867, that we were subjected to undue influences as a people; we were unlike our French friends in the Lower Province, unable to unite when sectional interests became a matter of dispute, while they were able by their unity to overwhelm a majority from the western division, when aided by a small minority from the west. This was also the case in other matters, besides the merely political measures of the time. It also placed us in an inferior position, financially; we contributed from two-thirds to three-fourths of the taxation of the country, and we were always unable to obtain for local purposes, such as we tax ourselves for now, under the present system, half of the entire revenue of the United Province. This was a condition of affairs that, independent of the other, and in my opinion the paramount object—the political one—required to be changed, and I believe the change effected in both respects by the Confederation of the Provinces was one that was extremely beneficial to us as a Province, and will, I hope, be beneficial also to the Province of Quebec in another way, by stimulating her to greater exertions in local affairs, instead of depending as formerly to a great extent upon the superior ability of the Upper Province to accomplish certain objects. I need scarcely refer, in respect of this matter, to more than a few figures to indicate the position that we were placed in in regard to local taxation. In the course of the few days that I had to devote to the subject I have been able to obtain some

reliable statistics of the relative amounts expended in Upper and Lower Canada during the existence of the old union. For instance, there was expended during that period for the Administration of Justice :—

In Lower Canada	\$7,714,300 26
In Upper Canada	5,102,633 79
Excess in favour of Lower Canada	<u>\$2,611,666 47</u>

For Educational Purposes there was expended during the same period, from sources of general taxation :—

In Lower Canada	\$4,309,397 72
In Upper Canada	3,962,627 55
Excess in favour of Lower Canada.....	<u>\$346,770 17</u>

This comparative statement might be carried out in other matters, particularly in regard to special votes for colonization roads and bridges and works connected therewith. I have not been able to prepare a statement for to-night covering that service ; suffice it to say that the expenditure in Lower Canada was very largely in excess of the expenditure for the same purpose in Upper Canada. These were the three great branches of local expenditure for which local taxation is imposed in this Province, and has to be imposed now in the other Province, unless they limit their expenditure and take it direct from the general revenue. We have in the Province of Ontario perhaps the most complete municipal system in the world : there is none, that I am aware of, in any country so complete, or that brings the principle of self-government home to every man's door, that distributes the machinery of government, using that term in the general sense, as applied to all who rule over the people throughout every part of the country. This enables the people of the country, whenever an improvement is desired, to have it carried out without making constant appeals to the Administration that conducts the political affairs of the country. In this respect we stand at considerable disadvantage in one way. In contrasting the statements of our income and expenditure, and in speaking of our large surplus which has been accumulated during the last four years, the impression is made by the press and political men in the other Provinces, who are not thoroughly

informed upon the subject, that this Province obtained some extraordinary advantage over some of the other Provinces by the Act of Confederation. We are told that while before the Union we were complaining of constant deficits, since that time this Province has waxed rich by the union with it of the other Provinces, and is now able to count its surplus by millions; while the truth is, that if we had devoted the revenues accruing to the Government of Ontario from general sources to the same purposes that the general revenues had been devoted to in the other Provinces, we would not only have no surplus, but would be obliged to resort to direct taxation to a considerable extent to meet our expenses. In order to show this more clearly, I ask the House to consider for a few minutes the relative amounts paid for local services in the other Provinces. I take the last published statement I can find—that of 1870–71—for the other Provinces. For Educational purposes during that year there was paid by the Government—

Of Ontario	\$379 305 or 24 cents per head
Of Quebec	311,210 “ 26 “ “
Of Nova Scotia	165,000 “ 42 “ “
Of New Brunswick	136,711 “ 47 “ “

For roads and bridges there was last year paid by the Government—

Of Ontario	\$ 60,000 or 4 cents per head.
Of Quebec	150,000 “ 12½ “ “
Of Nova Scotia.....	214,213 “ 55 “ “
Of New Brunswick.....	159,000 “ 55 “ “

In Ontario the \$60,000 was spent entirely upon what are known as Colonization Roads, in those districts of the country where there is either no population or where the population is so sparse as to be unable to contribute anything for local purposes. It was an expenditure entirely outside of the ordinary resident population; while a very large proportion of the \$150,000 spent for this service in Quebec—more than two-thirds of it—was expended in the old settled counties. The amount expended for this service in Nova Scotia was about one-third of the entire revenue received by that Province from the Dominion. For the Administration of Justice there was expended last year by the Government—

Of Ontario	\$197,000 or 12½ cents per head.
Of Quebec	373,838 “ 31 “ “

The municipal authorities of Ontario contributed for the Administration of Justice in the same year \$381,188, or about double the amount expended for that service by the Government in that time. Mr. Langton, during the discussion which preceded the passage of the Nova Scotia Relief Bill, as it was called, prepared an elaborate statement, which I will not read to the House, but give merely his conclusions as to the extent of local parliamentary and municipal taxation. This shows that the local parliaments and the municipal authorities in the four Provinces contributed per head for purely local purposes, in addition of course to the money received from the Dominion from the two or three sources from which the Dominion subsidy is derived, as follows:—

Ontario	\$4.01
Quebec	2.09
Nova Scotia	1.83 $\frac{3}{4}$
New Brunswick	1.51 $\frac{1}{2}$

This shows the relative amounts raised either by the local parliaments or the municipal councils in order to provide for the necessary local expenditure required for the Administration of Justice, the Education of the people, and the maintenance of Local Institutions, of a benevolent character. Well, Sir, our entire revenue from the Dominion is very easily ascertained, and we will contrast that for a moment with our revenue derived from local taxation. We receive a subsidy of \$1,116,872.80, being 80 cents per head of the population of 1867.—In addition to that we receive a special payment of \$80,000, being the additional amount agreed to by the Conference in London. The entire payment we receive from the Dominion is \$1,196,872.80. This, of course, is subject to a reduction for interest on our public debt, leaving our receipts from the Dominion at a little over a million. I regret very much that owing to some misunderstanding with regard to the relative duties of municipal officers and the Government, I have no municipal statistics later than for the year 1868, and I have been obliged to take the municipal assessments for that year.

The amount raised by municipal councils in 1868

for local purposes was..... \$3,151,085

I add, as a very reasonable addition, for the four

succeeding years..... 350,000

\$3,501,085

I believe that the additional taxation imposed since that time is considerably more than this amount. Many of our municipalities have invested a very large portion of their means since that time, or rather have incurred very large liabilities, particularly within the last two years, in aiding new lines of railroad. We have now many bills before the House from municipalities asking for power to tax themselves to the extent of three per cent. of the entire valuation of their real and personal estate. In some municipalities the local taxation is levied to this extent already; and, considering that new railway projects are springing up every day, it is, perhaps, not too much to say that within two years the average amount of taxation in the whole Province by municipal councils will reach at least two cents on the dollar. It is at present a little over one cent and a quarter on the dollar. Taking it at that amount we have as the amount now raised by municipal taxation, \$3,501,085, or over three and a half millions. The value of the Statute labour performed yearly is not included in this sum.—That is somewhat over \$1,500,000. Last year the amount of the local school rates and the amount voted from municipal special funds for the purposes of education, was together \$1,750,704, making the entire local taxation for the year, \$5,251,789, or an average of \$3.23 per head of our entire population; while the entire proceeds from the revenues of the Dominion payable to the Province is only 85½ cents per head. This shows very strongly the extent to which local taxation is carried.—I find, Sir, that in some of the speeches delivered by hon. gentlemen in the other Provinces, this view has at last been somewhat fairly recognized. The Treasurer of Quebec, in introducing his financial statement for this year, where speaking of the expenses connected with the Administration of Justice, and roads and bridges, says:—"In connection with these items, I would say that complaints are frequently made as to the cost of this service in this Province as compared with Ontario, and with certain parts of the United States. It should, however, be kept in mind that a large portion of what is paid in this Province direct from the public treasury is in Ontario, and the United States, paid from local taxation through municipal councils and other bodies, and as soon as municipalities are prepared to assume a share of the expenses of the Administration of Justice from local funds, this portion of our expenditure may be reduced." We have adopted the principle of reducing the

general expenditure by taxing ourselves locally in this way, and we have thereby been enabled to save the large surplus which is at present at the disposal of this House. With these preliminary remarks, I now proceed to deal with the chief sources of expenditure, as shown in the Estimates submitted to the House to-night. I am relieved from extensive observations upon this point by having been able to lay the Public Accounts before the House, so that in considering the financial position of the country, members will be able to compare the statements in the Public Accounts with estimated expenditure for the coming year. One of our largest sources of expenditure is that connected with public institutions. I have prepared a statement of the amount that has been expended up to the present time upon what I consider the public institutions of the Province.

There has been expended up to the first of January last upon the central prison.....\$ 10,125.96

And we are now asking a vote to complete the contracts entered into and purchase the land and the necessary conveniences according to the estimate of the Inspector of Prisons submitted to us 200,432.00

Making the entire cost of the central prison, when completed\$211,557 96

There has been expended upon the London Lunatic Asylum, and the Asylum for Idiots connected with it, up to the same date 311,003.82

And we are obliged to ask an additional vote to complete the buildings of..... 36,195.96

Making the entire expenditure upon that institution.\$347,199.78

It was, I believe, intended and expected when the first vote was taken in the late Parliament for this institution, that the entire cost was not on any account to exceed \$250,000, or an estimated expense of \$500 for each inmate, it being calculated to hold five hundred. It will be seen that this estimated cost has been exceeded by nearly \$100,000 already. I hope that will be the maximum amount, although that is by no means certain.

Upon the Deaf and Dumb Institute there has been
 expended up to 1st of January..... \$90,215.11
 And we require a vote to complete it of..... 14,350.00

Making the total expenditure upon that building \$104,565.11
 Upon the Asylum for the Blind, at Brantford, there
 has been expended \$69,313.75
 And we now ask a vote to complete it of..... 33,387.00

Making the entire cost.....\$102,705.75

I may say in connection with this institution, that the contractors failed to comply with their contract, and the Department of Public Works were obliged to issue proposals for new tenders, and this has necessitated an expenditure somewhat in excess of the original contract. Whether anything can be recovered from the sureties of these contractors I am not prepared at present to say.

The expenditure on capital account upon the To-
 ronto Lunatic Asylum was.....\$184,037.66
 And we will require a vote this year to complete
 the buildings of..... 5,000 00

Making the total expenditure.....\$189,037.66
 Upon the Reformatory at Penetanguishene the ex-
 penditure has been..... 12,080.74
 And we require a vote of 1,919.26

Making the total expenditure..... \$14,000.00

Upon the Agricultural College and Farm there has
 been expended so far, chiefly for the purchase of
 the land 47,350.00
 And we require a vote, partly a re-vote, to complete
 the contracts entered into, and supply articles
 according to the statement presented, of..... 97,424.00

Assuming the present estimate to be complete, the
 total cost will be\$144,774 00

In respect to the college of Technology, the expenditure, up to January 1, 1872, has been \$38,507 34 ; and we ask for a vote for 1872 of \$11,490 66, which will make a total of \$50,000.

For Normal and Model Schools, the expenditure up to January 1, 1872, has been \$13,613 50 ; we ask for a vote of \$3,318 for 1872, which will make a total of \$16,931 50.

For the Government House, the expenditure up to January 1, 1872, has been \$105,272 77, and we require for 1872, the sum of \$1,500 to complete certain works in connection with the building. The whole will make a total of \$106,772 77.

For the Parliament buildings, the expenditure up to January 1, 1872, has been \$74,617 04. We require for 1872 a vote of \$3,060. This will make a total of \$77,617 04.

I shall not particularize the other works for which expenditures are required, for I do not wish to trespass on the attention of the House. I may allude, however, to certain works that have been undertaken for the improvement of interior navigation.

For the lock on Rosseau River, the expenditure up to January 1, 1872, has been \$34,542 47. We require for 1872, a vote of \$1,600, which will make a total of \$36,142 47.

For the lock at Young's Point, the expenditure up to January 1, 1872, has been \$30,935 07 ; we require, for 1872, a vote of \$900 ; which will make a total of \$30,935 07.

For the lock on Balsam and Cameron Lakes, there has been an expenditure up to January 1, 1872, of \$15,715 20 ; we require, for 1872, a vote of \$6,250 83 ; which will make a total of \$21,966 08.

For the improvement of the navigation of Seugog River, there has been an expenditure up to January 1, 1872, of \$27,760 34 ; we require a vote for 1872, of \$5,224 79 ; which will make a total of \$29,985 13.

For the cut on Lakes Joseph and Rosseau, there has been an expenditure up to January 1, 1872, of \$9,761 80 ; we require for 1872, a vote of \$238 20 ; which will make a total of \$10,000.

For the Washago Road, there has been an expenditure, up to January 1, 1872, of \$25,677 91 ; we require for 1872, a vote of \$3,472 60 ; which will make a total of \$27,077 91.

For the Kaministiquia River works, there has been an expenditure

up to January 1, 1872, of \$197 10 ; we require, for 1872, a vote \$11,-802 90 ; which will make a total of \$12,000.

In a word, we have expended on Public Institutions, Parliament and Departmental Buildings, the sum of \$1,364,961 57 ; and we have expended on other works, the sum of \$201,259 80. The total being, \$1,566,221 37.

To some matters in connection with these public institutions I feel bound to call attention. Amongst our public institutions, we have the Agricultural College, the College of Technology, and the Central Prison : and I would draw the attention of the House particularly to the two former. These two institutions were begun by the late Government without any regular plan, or without any consideration of what the ultimate plans would be, and apparently without any idea of the cost of maintenance afterwards ; and therefore the present Government are placed in the dilemma of being obliged to take votes for the continuation of these projects, without being able, in the short time at their disposal, to mature plans for their future government. My own impression is, that these institutions would have been placed on a better footing had time been taken to deliberate, and had thoroughly competent plans been prepared for the administration of the affairs of these institutions. With such plans clearly before us, a very large amount of public money would have been saved, and we would be preserved from some of the disagreeable consequences that invariably attend all mistaken plans, political or otherwise. (Hear, hear.) As the matter now stands, however, we are obliged to take a vote for these institutions. The Central Prison I look on as a mode of practically providing a local penitentiary for the detention of prisoners undergoing a long sentence. This is a duty which the Dominion ought to undertake. In the Province of New Brunswick, for example, a Dominion penitentiary is actually provided for the detention of prisoners undergoing a three months' imprisonment. This being the case, I cannot conceive that it is the duty of Ontario to commence the erection of prisons for the detention of any but persons for short terms of imprisonment. A central prison should only be used for the detention of prisoners undergoing hard labour and long sentences. Still this building had been undertaken, and the contracts had been given out, and the present Government must accept the decision of the Parliament, and endeavour to carry out its intentions.

The cost of the maintenance of these public institutions—I do not include the Central Prison—but the other institutions of a benevolent character, is threatening to become, before long, a source of serious expense to the Province. The expenditure incurred in the year 1869 was \$146,702.96. In 1870 it was \$157,947.12. In 1871 it was \$171,401.85. And we are obliged this year, as we have a new institution, to take a vote of \$208 921—showing a progressive increase in expenditure—not an increase, exactly, of a remarkable character, but one that calls our attention to the necessity of a strict economy, in every department of the public service, in order that we may be enabled the better to support those institutions that are at once a credit and an ornament to our land, and which are a necessity for the shelter of those afflicted with various infirmities (Applause.) At the same time it is tolerably evident—though the Government have not yet had time to mature a plan for their management—that at least two of these institutions, the Deaf and Dumb Asylum at Belleville, and the Asylum for the Blind at Brantford, should occupy the attention of the House. We have to consider whether we should further reduce the expense to those who are unable to pay, instead of insisting, as we do at present, that the county municipalities should pay the cost of their board, before those who are afflicted and unable to pay can be admitted into these institutions. We have the painful fact before us that a very considerable number of young people, so afflicted, are not able to obtain admission into these institutions, because the county municipalities do not choose to make the necessary appropriations. I am inclined to think that where there are mutes or blind children in families not able to pay for their instruction that the Government or the municipalities should undertake the task and make the necessary provision for it. (Cheers.) This will probably involve some additional charge on the revenue, even if we only make a partial reduction, but it is a subject we are bound to deal with. (Hear, hear.)

Before leaving the subject of our charitable institutions, I desire to refer to the condition of one class of these institutions,—those that are maintained solely for the purpose of hospitals, houses of industry and houses for the indigent poor in distressed circumstances. We are voting for this purpose an annual sum of \$42,000. It has occurred to me that this House has voted this money on a most vicious principle—in fact on

no principle at all, but simply on the hap-hazard system of yielding to the influences of the moment, or to the imperative claims of some benevolent institution, which has for the time rendered good service, and remains a constant pensioner. (Hear, hear.)

I will read to the House what has been written concerning the condition of the House of Industry in Kingston, to which we have been giving the sum of \$2,400 per year. Mr. Langmuir says:—"Inspection was made on the 3rd of October. Every part of the establishment was inspected, and every part of it was found in a dilapidated, disorderly and untidy state. The houses occupied, whether in respect to their location, construction, internal arrangement or general surroundings, are utterly unfitted for the purposes of the charity, and the space upon which they are built, is entirely too confined." After this description the House will see the necessity of maturing some plan for dealing with other institutions in the future. (Hear, hear.) From Kingston, the subscription for the benefit of their institution amounted to \$100; from the County of Frontenac, \$20; from other counties, \$76; from Brantford we received \$76. Total, \$252. The House will see that while we contribute to the institution at Kingston \$2,400; we receive from that city, as its contribution, the sum of \$80. Let us take another institution of a similar character in the said city. We have the Hotel-Dieu, which receives from the Provincial Exchequer the sum of \$800, and provided from its own resources, last year, the sum of \$1,292.19; and it ought to be remarked that the Hotel-Dieu relieved nearly the same number of patients as the other institution. We have had before the Government, for the last few days, a long memorial from the trustees of the General Hospital in Toronto, setting forth the condition of that institution. The memorial entirely accords with the report of the inspector, and shows that the financial condition of the hospital is extremely unsatisfactory. While the Province is contributing the sum of \$11,000 to the hospital, the City of Toronto contributes \$1,718, and the patients about the same amount; and the income from its real estate is about \$6,000. This institution was endowed from the public resources, but the property appears to have been squandered, and the money to have been wrongfully applied. We have constant demands asking aid for charitable institutions in this way:—"You are giving the City of Toronto so much; our population is half that of Toronto, and we only get so much." It

is necessary to mature a plan to deal with this matter in the future, and this the Government will consider during the recess, and will endeavour to mature a plan by which, while aid will be given in a systematic way, the communities, in which these institutions are placed, will be required to contribute according to a just proportion, on some principle of general application, which shall do justice to these institutions in every part of the country. (Hear, hear.)

With regard to the next large item—that of education. It will be observed that we have increased the vote, for that object, to a considerable extent. I propose to explain the grounds on which the increase was made. I consider the education of the people one of the first considerations that should actuate the Government in preparing estimates of the public expenditure. On the chief item we ask an increase of twelve and a-half per cent above the usual grant for distribution among the ordinary schools. Last year, the vote for that purpose was \$175,000; this year we ask \$200,000. I have long felt that we should do something to raise the standard of education. I felt that our common schools have not been in an entirely satisfactory condition; and that a large number of those employed as teachers merely took the office up as a temporary expedient, until they had a chance of entering some of the professions. It would seem also, that young ladies only engaged in school teaching, until they could find engagements of a different character. (Hear, hear and laughter.) I think it absolutely necessary to make teaching a regular profession, and this can only be done by entering the labour market and making the standing and remuneration of teachers more in accordance with the importance of their calling. They are a most important class of the community, and much of our future prosperity depends on the class of teachers to be employed in our public schools. (Hear, hear.) When under the late School Act a higher qualification was demanded for teachers, it would be quite unfair to make this demand without making the remuneration somewhat larger than before. (Hear, hear.) And as the municipal vote will be supplemented to the same extent, we hope by granting the additional \$25,000 to do something towards raising the standard of education, and recompensing adequately a laborious and deserving class engaged in these public institutions. (Applause.)

The item for High Schools is \$2,000 larger than it was last year; the

sum last year being \$70,000, and this year \$72,000. The \$2,000 are required to meet the expenditure necessary by the increase of the High Schools. The item for libraries and apparatus and prizes, has been increased by \$3,500 ; but this will be met by increased revenue in the department. With this item there arises a question I do not intend to discuss at present ; namely—whether it is or is not desirable to continue the system of selling libraries and books by the Education Department. (Hear, hear.) I express no opinion on the subject ; for it is a matter on which public opinion is to some extent divided, and the Government have not considered the matter. The representations made from time to time will, of course, be considered, and such action taken by the Government as the public service may demand, irrespective of other considerations. (Hear, hear.)

For Public School inspection we ask a vote of \$26,550, instead of the \$22,500 of last year. The sum of \$2,500 of this \$26,500, is simply to meet the possible increase in the number of schools to be inspected. I shall exhibit the reasons for the vote more fully when we come to the matter in the committee. I think it is not necessary for me to say anything further on the subject of education, as I have already dealt with its principal points. For colonization roads we ask a sum considerably in excess of the grant of last year. I shall take in connection with colonization roads the subject of immigration. For colonization roads we ask a vote of \$79,705 40 ; and for immigration we ask the sum of \$80,000, the details of which items will be found under the proper heads. We have felt, as a Government, that it was extremely desirable to adopt some plan whereby we could direct a large stream of immigration into the country. We have felt that it is necessary to open up the back country—that large extent of territory bounded by the Ottawa and the French Rivers, and by Lake Nipissing, though it is not necessary to stop at Nipissing—and lying in the rear of the frontier counties on the Lakes. The capabilities of this tract of country—judging from Sir William Logan's estimates—are of a very high description. Twenty, or thirty-five per cent. is valuable land, making over one-fourth of the whole eminently suitable for settlement ; while a large portion of the rest is excellent pasture land, and valuable for other purposes. This territory can only be penetrated by assist-

ance from the Government. It had been the custom of former Governments to expend a considerable amount of money in opening up the country. It will be the policy of the present Government to continue that expenditure, but to make it more extensive. (Hear, hear.)

We believe in building new railroads as a means of bringing in immigrants into these new territories. One difficulty, in the settling of immigrants in our wood-lands, has been the impossibility of finding profitable employment for the people so brought in. The Government will endeavour to remove this difficulty. The Kingston and Pembroke Railroad will probably be built ; so will the road going to the Muskoka tract ; and so will the Midland, Belleville, and Peterboro' roads. We hope thus to be able to find profitable employment for that large number of immigrants that may be brought into the country by railway companies, and also for those immigrants whom we ourselves propose to aid. Thus the railroad companies will find abundance of labour to carry on their operations ; and the labourers will find free-grant lands that will enable them to settle with advantage ; and the general interests of the country will be greatly promoted. (Hear, hear.) I find that in the expenditures of last year, under the head of "immigration," there were \$30,000 for printing. How this money was expended I am not informed, but I presume a large portion was for pamphlets. There was also a considerable sum expended in delivering lectures in some of the principal cities of Great Britain and Ireland. These lectures were admirable in their way, and that they encouraged immigration to some extent is probable. But we think we can avail ourselves of some agencies in Great Britain and Ireland, that will be much more effective in sending out immigrants to the country. It is not in my opinion very desirable that a large class of the city population of Great Britain and Ireland should be sent to this country ; though if the object were to get merely so many heads, we might, it is true, accomplish more by keeping to the cities. But by penetrating the rural districts, where agricultural labour is plenty, and wages low, we believe we can procure a large number of a most valuable class of immigrants,—a class that will suit admirably for these railroads, and be also adapted for settlers. (Hear, hear.) We believe we shall be able to avail ourselves of the local societies in England and Ireland, without incurring the expense of sending out

agents from this country. Such men as the Rev. Mr. Herring, and the Rev. Mr. Cox, take great interest in promoting emigration; they have visited this country, and acquired a knowledge of the wants of several localities, the nature of the soil, and the class of people most suitable and most available for this country. I do not mention these gentlemen as the only ones of whose services we desire or expect to avail ourselves; but as specimens of a class that may be fairly supposed to be capable and willing of rendering assistance to the Government in bringing immigrants to the country.

We ask a vote of \$10,000 for agencies in the British Isles, lectures and printing. We ask for the sum of \$50,000 as "Assistance to promote Immigration." And in connection with this item of \$50,000 I may say that we believe we shall aid the local societies in Great Britain and Ireland in sending out emigrants, by the distribution of so much per head after the emigrants have resided a certain time in this country, but the terms of settlement we have not yet decided upon; it may be, however, desirable or necessary to require so many months of settlement before the sum per head shall be distributed. We have not decided on the precise amount, but it will probably be five or six dollars per head, for all the immigrants the local societies send out to this country.

I may say we have not adopted this policy without great consideration and careful deliberation—nor without communication with those societies that have assisted immigration to this country very materially, some of whom have spent in that object more in one year than the Government of this Province have spent in bringing immigrants to this country. And we find, upon consultation with those societies, that on the whole this plan appears to be most effectual in accomplishing the object we have in view, which is to attract a large class of suitable immigrants to this country in the most economical manner. I may say also that we had in view the securing of very considerable assistance from local societies in this country. There are several societies in Ontario that have been organized for the express purpose of promoting immigration. We think also that the contractors of the new lines of railway will be very glad to advance a certain amount to enable them to obtain the labour necessary to carry on their works. We will avail

ourselves of all such agencies in order to induce immigrants to come to this country, and distribute the money asked for immigration purposes in such a way as to best accomplish the end we have in view. It is but right that I should say that in initiating this new policy in regard to immigration, I do not expect, if it should be my privilege to make another financial statement to the House next year, to be able to announce any very decided success for the first year. But I do expect that we shall lay the foundation of a policy that will ultimately be productive of the greatest benefits to the country. I think it is the duty of the Government not to look to mere temporary success or temporary popularity so much as to lay the foundation broad and deep of a scheme that will produce effects in after years. (Hear, hear.)

In regard to the expenses of Civil Government we do not propose any serious change; but we do propose to have a different system of presenting the expenditure of the public money to the public view. One of the first things that attracted my own attention in looking carefully over the estimates for the Civil Service, was that a very large number of the employees in some departments did not appear at all upon the ordinary pay list of the office. You will find, for instance, under the head of the Department of Agriculture and Public Works, a sum of over \$5,000 that has never appeared in the Estimates as salaries of public officers, but has been charged to the respective public works upon which more or less of their time was spent. I have, in making up the present estimates, included under the heads of their respective departments the salaries of all the officers that are on the regular staff of the departments, and this has apparently increased the expense of the Public Works Department by some \$5000. To show the evil tendency of the old mode of the payment of services I may mention the fact that in the Crown Lands Department one of its chief officers has never appeared at all as receiving any money, although he was receiving \$1600 a year, that amount being charged to the several public works upon which he was employed. In the Public Works Department alone there has been expended for salaries of officials during the last year a sum of not less than \$14,889,06, that did not appear any where as having been a part of the civil service expenditure, but as charges against certain public works and buildings. Some of these officials are of course employed in a way that makes it difficult to present them as regular officers—foremen and

superintendants employed on the several public works for instance ; being temporarily employed, I do not object to that class having their salaries charged against the works that they superintend. But I do object entirely that the salaries of officers employed in the departments who may be engaged perhaps in making plans for drainage, or the Central Prison, or Lunatic Asylum, or Deaf and Dumb Institute, should be charged so much to this institution and so much to the other and thus make up the gross amount of the yearly salary at which they have been engaged. It is a wrong principle, and one under which a minister might make any addition he pleased to the civil service without the assent of Parliament. We have endeavoured as far as we could at the present moment to prevent that being done in the future, and I ask a vote direct from the House for all the salaries, as far as we can possibly do so, so that it will appear who are to receive the salaries. There have been also some charges made that are not strictly a charge upon the civil service. For instance, in the Department of Public Instruction we have, under the head of Education Office, a vote of \$2200 as the salary of the Deputy Superintendent of Education, although it is well known that in addition to that he receives \$400 as editor of the *Journal of Education*.

HON. MR. WOOD—That is an express vote of the House.

HON. MR. MACKENZIE—But it is not paid in the way voted by the House. I ask a vote of \$2,200 for salary as Deputy Superintendent, and \$400 as salary of editor, so that the payment for each service may be made in accordance with the vote of the House. I am not an advocate for low salaries ; but I wish that salaries should appear as such, and not under cover of some public work or institution ; and I have prepared the present estimates in that way. We ask a re-vote of the sum voted last year to enable us to define the western boundary of the Province ; and it is due to the House to explain that the late Government appointed Hon. Wm. Macdougall as its Commissioner, to make a report upon this subject. He has been continued in that position by the present Government ; and as soon as his report is received, the Government will adopt such other measures as it thinks desirable in the public interest to obtain a settlement of this question. I have no doubt myself that a settlement will be made, but in the meantime we are obliged to ask a vote in order to continue the investigation that was properly

begun by the late Government. We also ask a small vote for the purpose of defining the Quebec boundary. Hon. gentlemen are aware that the boundary between Ontario and Quebec follows the line of the Ottawa River to Lake Temiscaming; from that point the line diverges, but the precise point at which it diverges has not yet been determined, nor the exact line from that point to the Hudson's Bay Company's territory. That will be a subject to be settled between the two Provinces. And now when the timber trade is extending so far into that region, it is desirable that a settlement should be reached at as early a day as possible. We also ask a vote of \$5,000 as a reward for the discovery and apprehension of the murderers of Thomas Scott. (Cheers).

HON. M. C. CAMERON—\$25,000 you ought to have said.

HON. MR. MACKENZIE—If the hon. gentleman thinks we ought to offer \$25,000, I can only express my regret that he did not propose to offer that sum when he was in a position to do so. (Hear, hear), The hon. gentleman not only declined to propose any reward, but to the last moment declined to even record his detestation of the deed and his sympathy for the relatives of the murdered man. The Government expressed its conviction—by the resolution passed by the House, by the remarks made by its members, by the entire course of the gentlemen comprising the Administration, both in opposition and in power—that it was essential to the vindication of our public honour and the administration of justice in the Dominion that the men who perpetrated this murder should be brought to justice. The House, with only one dissenting voice, has passed a resolution of sympathy, and we now propose to follow up that expression by the direct offer of this reward in order to secure the apprehension of those who were guilty of that outrage. I believe that this will accomplish the desired result; and I believe the result will be that the man who acted in this manner shall never again have the honour of shaking hands with the representative of the Crown, that he will either be apprehended and brought to justice, or be compelled to hide from the light of day his coward face and his crime-stained hands. (Cheers). There are other items comprising the general expenditure of the country, on which I will offer a few remarks. We ask for a sum of money to carry out a proposal made by the late Government, with regard to the award of the Provincial Arbitrators, in the matter in dispute

between Quebec and Ontario ; the object being to carry the case before the Privy Council, and as has been already agreed upon, to pay the expenses attending the appeal ; the case was prepared by the member for Brantford, when occupying this place last year. I found on coming into the office, that a copy of the award so prepared, and amended by some manuscript corrections had been transmitted to Quebec. It has been accepted as prepared by my hon. friend, and as soon as the proper arrangements can be made, steps will be taken to have the appeal presented to the Privy Council. (Hear, hear.) We ask the House for the money in the belief that it will be carefully husbanded. I have no fears for the justice of the appeal, the arguments prepared by the Hon. Mr. Wood, and the statements made by him are so conclusive, that it is almost impossible to conceive that the case can have any other than a favourable termination for this Province. We are desirous of settling the award, without going to appeal, and if the Government of Quebec makes any proposal, this Government will be prepared to consider it—that is to say, if it does not involve a grave departure from the decision already agreed upon by the Arbitrators. We ask also for a vote to carry out the proposed reduction on the Common School lands. I may remark in regard to this, that the late Government adopted the policy of charging twenty per cent. for the management of the Land Improvement Fund. This amount we think entirely too much, and we have adopted the rate of six per cent as the fair amount that ought to be charged. We have asked for the sum of \$20,000—the sum being in the nature of a refund,—to enable us to make the reduction agreed upon by the late Government in that share of the Common School Lands that belongs to ourselves, the House is aware that the Common School Fund is to be divided according to population, so that the amount will be as \$16,000 to \$20,000 ; and in this respect exact justice will be done.

I have now only to call the attention of the House to the items of revenue. In the first place we had a cash balance in the banks in the first of January last of \$172,935 84. I estimate that the amount to be received as interest on investments for the year 1872, will reach \$206,235 34. This much I believe we are absolutely certain to receive, and it is possible that by a more profitable investment of a part of our capital we may receive somewhat more than this.

We have at present invested in six per cent. Do-		
minion Stock	\$	350,000
In six per cent. Dominion Bonds.....		500,000
In five per cent. Dominion Debentures	£	150,000 stg.
In five per cent. Dominion Bonds		
	£	250,000 stg.
We have invested on special deposit in the Bank of		
Montreal, at 4 per cent	\$	1,120,000

And in the Royal Canadian Bank..... 298,061

Subject of course in both cases to call upon a few days' notice. I have included also, as interest upon investments the sum of \$1,500, which will appear as interest on account of the City of Hamilton debt. We have as a portion of the assets of Ontario, a considerable amount of the City of Hamilton debentures.

HON. MR. WOOD—\$80,000

HON. MR. MACKENZIE—They are not in our possession, although we have the coupons attached to the debentures for collection. In the somewhat uncertain state of feeling about the Municipal Loan Fund, I presume the late Government did not think it was their duty to press the City of Hamilton to pay this entire amount ; but the amount payable to that Municipality from the Municipalities' Fund, amounting to from \$1,400 to \$1,600 per annum, was retained as a matter of course, and it was credited with that amount. This will make the entire interest in investments as stated, \$206,235.34

The largest amount of our income is, of course, that derived from the Crown Lands Department.

We shall receive from Grammar School Lands....	\$	6,817.04
We expect to receive from Crown Lands.....		200,000.00
Mining Lands		150,000.00
Woods and Forests		550,000.00

Making the entire amount from the Crown Lands
Department..... \$906,817.04

This, I believe, is a very safe estimate. I may add that from the superior energy of the Commissioner of Crown Lands in collecting from Woods and Forests over that displayed by his predecessor, we have been able already to collect over \$120,000. (Hear, hear.) And I have no doubt from his known devotion to the public service, his intimate knowledge of the timber trade, from his being able to collect promptly and vigorously amounts that hon. gentlemen opposite did not appear to know should have been collected, we shall be able, as I have stated to increase the revenue of the Crown Lands Department. The amount actually received from the Crown Lands Department last year, as any gentleman will find by reference to the Public Accounts, was

Woods and Forests.....	\$453,403.20
Crown Lands sales and Mining Lands.....	215,973.28

Total	\$669,376.48
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I have to observe in reference to this, that by some mistake the headings in the public accounts were transposed, Crown Lands appearing where Woods and Forests should be. From the Municipal Loan Fund we estimate we will receive about the same as last year, \$40,000 00. This amount, of course, may be increased very considerably by collections.

HON. MR. WOOD—It should be increased \$200,000.

HON. MR. MACKENZIE—Very likely it should. That subject, of course, will receive the careful attention of the Government as soon as they are relieved from the attacks that are to be met here continually. Till then it will be quite impossible to devote very much of their attention to a scheme which will result in collecting where collections ought to be made, and in making other arrangements where such arrangements are manifestly due to public justice. From casual revenue we expect to derive a small sum as follows:—

Fines and Forfeitures	\$ 3,000.00
Secretary's Office Fee	2,500.00
Gazette Advertising	10,000.00
Sale of Statutes and Journals.....	1,350.00
Private Bill Fees	3,350.00

Total	\$20,200.00
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From tavern licenses we have taken the receipts of last year as the estimate for next year, as there can be no serious increase \$59,000.00

Law Stamps the same as last year..... 78,000.00

Although I believe that this item can be very considerably increased. If the information we have is correct, there is good reason to believe that frauds have been committed in connection with the collection of this revenue. If this by a change of system can be stopped, the receipts will be considerably in excess of this estimate.

From the Education Office we expect..... \$45,000.00

This of course is not strictly income, it is more a re-fund than income. The amount received last year was—\$35,450.65.

From the Reformatory at Penetanguishene we expect	2,500.00
Toronto Lunatic Asylum.....	15,000.00
London Lunatic Asylum.....	3,000.00
Rockwood Lunatic Asylum.....	1,500.00
Deaf and Dumb Institute.....	2,000.00
Blind Institute.....	1,000.00

Total from Public Institutions..... \$25,000.00

The Provincial payments are estimated the same as last year.

These are the Subsidy\$1,196,872.80

Less interest on the debt..... 291,666.66

\$905,206.14

Interest on special funds from the Dominion..... 149,694.27

Marriage licenses from the Dominion..... 35,000.00

Total.....1,089,900.41

Municipalities' fund..... 70,567.70

And from Common School Lands..... 77,343.70

The greater portion of the last item, and the whole of the municipalities' fund, merely pass through our hands as trustees of the general fund.

This makes the entire revenue of the year

amount to\$2,796,999.69

I am quite aware that a considerable portion of this income cannot

be regarded as lasting. The disposal of the surplus revenues of the country in any other way than that of investment would of course cause the sum of over \$200,000 to disappear from the revenue.

The House will see by the estimates that have been prepared for the year 1872, that the estimated expenditure will be \$2,368,772.86. The last item is to cover expenditure under unforeseen and unprovided and unpaid accounts of 1870 and 1871, and amounts to \$59,185.13. A considerable portion of the last item is really paid, though we require a vote for it—our intention being to procure the Parliamentary authority necessary to cover all expenditures of the public money. The late Treasurer inserted in the Public Accounts of 1870, an item of \$6,449—an item that required a vote, but for which a vote was not taken; the sum being charged to the item of unprovided expenditure. We include this sum in the vote, by which we desire to have it recognized that every item of unprovided expenditure must be accounted for in the next annual statement of the Provincial finances. In putting in the estimates for this year, the amount expended last year, under this item, I did so for the purpose of asking indemnity for the late Government for expenditures not provided for by Parliament.

I am exceedingly obliged for the courtesy of gentlemen opposite for according me this night—as I was not able to take last night—on which to make the financial statement. (Hear, hear.) I have also to thank the House for the careful attention it has given to the few remarks I have made, and to the summaries of figures. I can only regret my own inability to represent the matter more clearly and concisely than I have done. But with my short experience in this Parliament and Government, I have endeavoured to present as full a statement of the financial condition of the Province as circumstances would permit. And again thanking the House for its indulgence, I shall now leave the estimates at its disposal. (Cheers.)

SCHEDULE A.

EXPENDITURE ON PUBLIC WORKS AND BUILDINGS.

	Expenditure to Jan. 1, 1872.	Vote of 1872.	Total.
	\$ cts.	\$ cts.	\$ cts.
Central Prison.....	10,925 96	200,432 00	211,357 96
London Lunatic and Idiot Asylums.....	311,003 82	36,195 96	347,199 78
Deaf and Dumb Institute.....	90,215 11	14,350 00	104,565 11
Asylum for the Blind.....	69,318 75	33,387 00	102,705 75
Toronto Lunatic Asylum.....	184,037 66	5,000 00	189,037 66
Reformatory,—Penetanguishene.....	12,080 74	1,919 26	14,000 00
Agricultural College and Farm.....	47,350 60	97,424 00	144,774 00
College of Technology.....	38,509 34	11,490 66	50,000 00
Normal and Model Schools.....	13,613 50	3,318 00	16,931 50
Government House.....	105,272 77	1,500 00	106,772 77
Government Buildings.....	74,617 04	3,000 00	77,617 04
Lock on Rosseau River.....	34,542 47	1,600 00	36,142 47
Lock on Young's Point.....	30,035 07	900 00	30,935 07
Lock at Balsam and Cameron Lakes.....	15,715 20	6,250 88	21,966 08
Improvement of navigation on Scugog River.....	27,760 34	5,224 79	32,985 13
Cut Lakes Joseph and Rosseau.....	9,761 80	288 20	10,000 00
Washago Road.....	25,077 91	1,400 00	27,077 91
Pigeon River Works.....	1,527 40	3,472 60	5,000 00
Sydenham River Works.....	374 76	1,625 24	2,000 00
Nottawasaga R. Works.....	1,708 82	4,291 18	6,000 00
Kaministiquia R. Works.....	197 10	11,802 90	12,000 00
Bridge at Portage du Fort.....	.....	4,000 00	4,000 00
Court House and Gaol, Algema.....	10,685 35	600 00	11,285 35
Registry Office and Gaol, Muskoka.....	1,157 74	.....	1,157 74
Do. do. Parry Sound.....	1,715 20	.....	1,715 20
Do. do. Thunder Bay.....	1,994 85	.....	1,994 85
Total.....	1,115,798 00	453,422 67	1,569,221 37
Total expenditure on buildings.....	.....	.....	1,364,961 57
“ “ “ works.....	.....	.....	204,259 80
Total.....	.....	.....	1,569,221 37

SCHEDULE B.

ESTIMATED INCOME FOR 1872.

	\$ cts.	\$ cts.
Cash Balances.....		172,935 84
Interest on Investment.....		206,235 00
CROWN LANDS.		
Grammar School Lands.....	6,817 04	
Crown Lands.....	200,000 00	
Mining Lands.....	150,000 00	
Woods and Forests.....	550,000 00	
		906,817 04
Municipal Loan Fund.....		40,000 00
Tavern Licenses.....		59,000 00
CASUAL REVENUE.		
Fines and Forfeitures.....	3,000 00	
Secretary's Office Fees.....	2,500 00	
"Gazette" Advertising.....	10,000 00	
Sale Statutes and Journals.....	1,350 00	
Private Bill Fees.....	3,350 00	
		20,200 00
Algoma Land Tax.....		6,000 00
Law Stamps.....		78,000 00
Education Office.....		45,000 00
PUBLIC INSTITUTIONS.		
Reformatory.....	2,500 00	
Toronto Lunatic Asylum.....	15,000 00	
London Lunatic Asylum.....	3,000 00	
Rockwood Lunatic Asylum.....	1,500 00	
Deaf and Dumb Institute.....	2,000 00	
Blind Institute.....	1,000 00	
		25,000 00
DOMINION PAYMENTS.		
Subsidy, \$1,196,872.80, less interest on debt, \$291,666.66.....		90,5206 14
Interest on special fund from do.....		149,694 27
Marriage Licenses from do.....		35,000 00
Common School Lands.....		77,343 70
Municipalities Fund.....		70,567 70
Estimated gross income.....		2,796,999 89

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